
**TOWN OF WINCHESTER, CONNECTICUT
STATE SINGLE AUDIT REPORT**

JUNE 30, 2001

**Blum
Shapiro**

TOWN OF WINCHESTER, CONNECTICUT

STATE SINGLE AUDIT REPORT

JUNE 30, 2001

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To the Board of Selectmen
Town of Winchester, Connecticut

**Report of Independent Accountants on Compliance with Requirements
Applicable to Each Major Program, on Internal Control over
Compliance in Accordance with the State Single Audit Act
and on the Schedule of Expenditures of State Financial Assistance**

Compliance

We have audited the compliance of the Town of Winchester, Connecticut, with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2001. The Town of Winchester, Connecticut's major state programs are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town of Winchester, Connecticut's management. Our responsibility is to express an opinion on the Town of Winchester, Connecticut's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Winchester, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Winchester, Connecticut's compliance with those requirements.

In our opinion, the Town of Winchester, Connecticut, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2001.

Internal Control over Compliance

The management of the Town of Winchester, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Town of Winchester, Connecticut's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major state program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of State Financial Assistance

We have audited the general purpose financial statements of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2001 and have issued our report thereon, dated October 26, 2001. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of management, Board of Selectmen, Office of Policy and Management and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Blum, Shapiro & Company, PC

October 26, 2001

TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2001

| <u>State Grantor/Program Title</u> | <u>Program Number</u> | <u>Grant I.D. Number</u> | <u>Expenditures</u> |
|---|-----------------------|--------------------------------|-------------------------------------|
| Department of Education | | | |
| Child Nutrition Program - School Lunch Match | 0-7001-608 | 608-000010181 | \$ <u>7,733</u> |
| School Wire | 0-7001-619 | | <u>35,196</u> |
| Adult Education | 0-7001-710 | 710-000030145 | <u>8,621</u> |
| Health Services | 0-7001-713 | 713-00002001 | <u>5,765</u> |
| School Breakfast | 0-7001-732 | 732-000000036 732-000000034 | 544 <u>6,000</u> <u>6,544</u> |
| Student Achievement Grant | 0-7001-736 | 736-000000001 | <u>2,506</u> |
| Youth Service Bureaus | 0-7001-745 | 745-000030101 | <u>17,410</u> |
| Primary Mental Health | 0-7001-029 | 029-000000042 | <u>5,475</u> |
| Family Resources | 0-7001-617 | 617-000000102 | <u>100,000</u> |
| Total Department of Education | | | <u>189,250</u> |
| Department of Social Services | | | |
| Before and After School | 0-6100-036 | | 7,536 |
| Emergency Shelter | 0-6100-649(a) | | <u>55,252</u> |
| Total Department of Social Services | | | <u>62,788</u> |
| Office of Policy and Management | | | |
| Totally Disabled | 0-1310-703 | | 1,027 |
| Property Tax Relief Elderly and Totally Disabled Homeowners | 0-1310-705 | | 78,444 |
| Property Tax Relief Elderly Freeze | 0-1310-706 | | 11,281 |
| Property Tax Relief Veterans | 0-1310-707 | | 16,955 |
| Property Tax Relief for Manufacturing Machinery and Equipment | 0-1310-711 | | 399,105 |

TOWN OF WINCHESTER, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2001

| <u>State Grantor/Program Title</u> | <u>Program Number</u> | <u>Grant I.D. Number</u> | <u>Expenditures</u> |
|---|-----------------------|--------------------------|---------------------|
| PILOT on State-Owned Property | 0-1310-9801-701 | | \$ 121,104 |
| PILOT Colleges and Hospitals | 0-1310-9804-701 | | 103,686 |
| Local Capital Improvement Program | 0-1310-1870-010 | | 34,150 |
| Mashantucket Pequot/Mohegan Fund | 1114-9802-701 | | 289,757 |
| Communication 2001 | LEB-99-162 | | 8,000 |
| Police Youth Program on Truancy | 0-1310-042 | | 11,052 |
| One Time Surplus Revenue Sharing | 0-1310-701 | | <u>118,731</u> |
| Total Office of Policy and Management | | | <u>1,193,292</u> |
| Department of Transportation | | | |
| Monroe Street Bridge 20% State portion | 3795-5000 | | 3,505 |
| Town Aid Roads Grants Transportation Fund | 5000-714 | | 149,395 |
| Traffic Enforcement Equipment - Radars | 01-5100&6303-510 | | 6,743 |
| Still River Greenway - 20% State Portion | 1201-5100-522-706 | | 13,094 |
| Route 8 Project | 1201-5100-522-730 | | <u>18,097</u> |
| Total Department of Transportation | | | <u>190,834</u> |
| Department of Environmental Protection | | | |
| Clean Water - Discretionary Grant | 3795-3100-800 | | 276,501 |
| Clean Water - OPM Urban Act | 187-3100-158 | | <u>516,991</u> |
| Total Department of Environmental Protection | | | <u>793,492</u> |
| State Comptroller | | | |
| Boat Grant | 70-42-1202 | | <u>14,829</u> |

TOWN OF WINCHESTER, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2001

| State Grantor/Program Title | Program Number | Grant I.D. Number | Expenditures |
|--|-------------------|----------------------|----------------------------|
| Board of Education and Services for the Blind | | | |
| Education of Handicapped Blind Children | 0-7101-605 | | \$ <u>12,151</u> |
| Department of Mental Retardation | | | |
| Elderly Enrichment Program | 91-4121 | | <u>113,831</u> |
| Total State Financial Assistance Before Exempt Programs | | | <u>2,570,467</u> |
| Exempt Programs | | | |
| Department of Education | | | |
| School Building Grant and Interest Subsidy Program | 0-7001-701 | 703-000000001 | 244,968 |
| | | 703-000000151 | <u>140,253</u> |
| | | | <u>385,221</u> |
| Transportation of School Children | 0-7001-709 | 709-000010001 | <u>275,302</u> |
| Educational Cost Sharing | 0-7001-719 | 719-000000001 | <u>6,213,961</u> |
| Excess Cost - Student Based | 0-7001-733 | 733-000000157 | 12,000 |
| | | 733-000000158 | 118,567 |
| | | 733-000000156 | 25,901 |
| | | 733-000000166 | <u>33,049</u> |
| | | | <u>189,517</u> |
| Excess Cost - Equity | 0-7001-734 | 734-000000001 | <u>96,390</u> |
| Transportation School Children Nonpublic | 0-7001-737 | 737-000020001 | <u>23,845</u> |
| Total Exempt Programs | | | <u>7,184,236</u> |
| Total State Financial Assistance | | | <u>\$ <u>9,754,703</u></u> |

TOWN OF WINCHESTER, CONNECTICUT
NOTE TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2001

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Winchester, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. The financial assistance programs fund several programs including education, supplemental tax and transportation programs.

Note - Summary of Significant Accounting Policies:

The accounting policies of the Town of Winchester, Connecticut, conform to accounting principles generally accepted in the United States of America as applicable to government entities. The following is a summary of the more significant policies relating to the aforementioned grant programs.

Basis of Accounting - The financial statements contained in the Town of Winchester, Connecticut's annual audit report are prepared on the modified accrual basis of accounting. The following is a summary of such basis:

Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, if measurable.

The schedule of expenditures of state financial assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-5), certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.



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To the Board of Selectmen
Town of Winchester, Connecticut

**Report of Independent Accountants on Compliance and on Internal Control
over Financial Reporting Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

We have audited the general purpose financial statements of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2001 and have issued our report thereon, dated October 26, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Winchester, Connecticut's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Winchester, Connecticut's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, Board of Selectmen, Office of Policy and Management and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Blum, Shapiro & Company, P.C.
October 26, 2001

TOWN OF WINCHESTER, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2001

A. Summary of Audit Results

1. We have audited the general purpose financial statements of the Town of Winchester, Connecticut, as of and for the year ended June 30, 2001 and have issued our unqualified opinion thereon dated October 26, 2001.
2. We have also issued our unqualified opinion, dated October 26, 2001, on the Town of Winchester, Connecticut's schedule of expenditures of state financial assistance in relation to the general purpose financial statements taken as a whole.
3. The audit disclosed no reportable conditions in internal control over major state programs.
4. We have issued an unqualified opinion relating to compliance for major state programs.
5. The audit disclosed no audit findings.
6. The following schedule reflects the major programs included in the audit:

| <u>State Grantor and Program</u> | <u>State Grant Program Identification Number</u> | <u>Expenditures</u> |
|--|--|---------------------|
| Office of Policy and Management: | | |
| Property Tax Relief for Manufacturing Machinery and Equipment | 0-1310-711 | \$ 399,105 |
| PILOT on State-Owned Property | 0-1310-9801-701 | 121,104 |
| PILOT Colleges and Hospitals | 0-1310-9804-701 | 103,686 |
| Machantucket Pequot/Mohegan Fund | 1114-9802-701 | 289,757 |
| One Time Surplus Revenue Sharing | 0-1310-701 | 118,731 |
| Department of Transportation: | | |
| Town Aid Road | 5000-714 | 149,395 |
| Department of Education: | | |
| Family Resource Centers | 0-7001-617 | 100,000 |
| Department of Mental Retardation | | |
| Elderly Enrichment Program | 91-4121 | 113,831 |
| Department of Environmental Protection | | |
| Clean Water - Discretionary Grant | 3795-3100-800 | 276,501 |
| Clean Water - OPM Urban Act | 187-3100-158 | 516,991 |

B. Summary of Findings Related to Financial Statements Required Under Generally Accepted Government Auditing Standards

1. We have issued a report, dated October 26, 2001, on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
2. Our report on compliance indicated no reportable instances of noncompliance.
3. Our report on internal control over financial reporting indicated no reportable conditions.

C. Findings and Questioned Costs for State Financial Assistance

No findings or questioned costs are reported relating to state financial assistance programs.